

## Advice for Success: Do's and Don'ts when Doing Business in Paraguay

1. Paraguay is a country located in the heart of the South American continent and is a founding member of the trading block MERCOSUR. This Common Market between Paraguay, Uruguay, Argentina, Brazil and Venezuela gives way to a market of about 270 million people. Paraguay enjoys an exceptional macroeconomic stability, it has a competitive tax structure, and one of the lowest electricity costs in Latin America. It has also implemented a “maquila” regime to boost industrial exports.
2. Paraguayans are formal, but relaxed. It is useful to have business cards printed with English on one side and Spanish on the other. Product marketing or company promotional literature should be in Spanish. In Paraguay they use two surnames, one from the father and one from the mother. While both names appear on business cards, in general business communication usually only the first of the two is used in conversation. It is also common to be addressed as “Doctor” (lawyer) or “Ingeniero” (engineer) or “Arquitecto” (architect ) out of respect.
3. Paraguayans are very polite and soft-spoken. Eye contact is very important, and a firm handshake when meeting someone is customary. Women kiss each other on both cheeks and embrace, but when meeting in first meetings, it is good etiquette to shake hands with all those present, regardless of the gender. Paraguayans are quite restrained in public and it is bad form to talk too loudly.
4. Be patient. Business meetings in Paraguay will often take longer than they would in the United States. Even though business meetings may not start on time, be punctual. Do not rush out of a meeting after it is concluded. Be flexible and allow time for possible modifications, delays, or last-minute changes. Prepare your agenda accordingly.
5. Be tolerant and avoid expressing frustration. To do business in Paraguay it is key to develop and maintain close relationships with clients and partners. Paraguayans prefer direct communication such as telephone calls or face-to-face meetings. However, e-mail is widely used.
6. Bring Finance to The Table. Utilize export credit insurance or other mechanisms to mitigate risk and close the deal. Paraguayan companies are extremely price conscious, seek financing options, and value outstanding service and flexibility. For more information regarding how to do business in Paraguay go to [http://export.gov/argentina/doingbusinessinparaguay/eg\\_ar\\_024636.asp](http://export.gov/argentina/doingbusinessinparaguay/eg_ar_024636.asp)
7. Get to know the culture. The business day usually begins at 9 a.m. and ends at around 7 p.m. Lunch does not begin before 12 noon and two or even three-hour breaks are not uncommon because napping usually follows lunch. On Saturday, the time for doing business is between 8 a.m. to 12 noon.
8. Learn some Spanish. Many Paraguayan businesspeople are well-educated professionals who travel internationally and may speak other languages. However, not all speak English, and

foreigners will often find the ability to speak Spanish very useful, if not an absolute must. The population of European descent (mainly German or Dutch) predominantly speak their own languages at home.

9. Appearances are an important part of Paraguayan business. Dress codes are generally formal and conservative - suit and tie for men and discreet business suit (skirt or trousers) for women. Business attire becomes less formal outside major cities and in certain sectors.
10. Be prepared. It will require time and effort to ensure that your firm is a success overseas. Finding a local partner with market knowledge, with the right contacts, to establish a local presence in the foreign market is imperative. The U.S. Embassy in Paraguay can help you identify the right match.
11. Avoid pressure tactics publicly or open criticism because they will backfire. Build your business relationships over time, based on trust and mutual respect. Start conversations with polite social chat, ask about their family, sports, show interest in their culture and their country's natural beauties. Paraguayans are family-oriented and very proud of their country.
12. Travel at the right time. Avoid conducting business meetings in Paraguay in January and February, when most Paraguayans take vacations. Your meetings will be less productive then, since most businesses are either closed or working on a limited schedule. It is important to schedule business appointments at least two to three weeks in advance and confirm them once you have arrived.
13. Social occasions rarely begin at the indicated time. If invited to a social engagement, please be aware that it may start an hour or an hour and a half late. Dinner is usually served after 9 p.m. Avoid discussing business when dining, unless it is initiated by your host.
14. The distribution of wealth among Paraguayans is fairly uneven. The "have" and "have-not's" are quite noticeable, with multi-million dollar house Estates in the suburbs and total poverty (shacks) a few miles down the road. There is a large informal sector dominated by agriculture, especially by the soybean sector. The economy has grown importantly in recent years, thanks mainly to its agriculture export based production.
15. Paraguay offers numerous opportunities to those involved in computers and accessories, toys/games/sporting goods, musical instruments, entertainment equipment, telecommunications equipment, industrial equipment, machinery, tools, engines, parts, and pharmaceutical preparations. For more information regarding U.S. exports to Paraguay please go to [http://www.buyusainfo.net/docs/x\\_1293639.pdf](http://www.buyusainfo.net/docs/x_1293639.pdf)

16. Infrastructure and telecommunications have the potential to offer investment opportunities. Telecommunications partly depends on reforms made by the state-owned telephone company. Cellular telephone service has been growing rapidly in recent years. In addition, Paraguay is poised to become an important player in the production of biofuels, in particular sugar cane-based ethanol. Although current production is mostly to satisfy domestic needs, the sector has the capacity and expertise to rapidly expand to meet higher export volumes from new markets.
17. One Word of Caution. One cultural note is that it is better form not to say you are from "America." In Latin America, the term "America" denotes both North and South America, not just the United States. Therefore, it is better to call yourself a North American (*norteamericano*).

By Foreign Commercial Service Officer Wanda Barquin, including excerpts from Paraguay's 2011 Country Commercial Guide.